

ASSOCIATION EUROPE - THIRD WORLD

ANNUAL REPORT 2007

This report describes the activities of Association Europe-Third World (ETW) during 2007, the 39th year of the Association.

1. Financial situation

1.1. Introduction

A detailed breakdown of the Association's finances is attached, at Tables 1 to 7. Table 1 indicates the categories of all revenue and expenditure for the year 2007. Table 2 details the expenses incurred by 2007 projects in Africa, Latin America and Asia. Table 3 outlines, in chronological order, the new commitments made by the ETW Committee in 2007. A brief description of each project can be found at Annex A.

The statistical evolution of revenue and expenditure over the last seven years (2001 to 2007) is illustrated in Table 4. Table 5 outlines the evolution of decisions and payments from 2003 to 2007. Certified accounts (to 31/12/2007) can be found in Table 6, and a list of 2007 commitments for which payment has been deferred to 2008 is set out in Table 7. The new composition of the ETW Committee, approved by the General Assembly in June 2007, can be found at Annex B.

1.2 Revenue

Total revenue increased significantly in 2007, totalling €165,135.93 compared with €140,393.09 in 2006. The increase (at Table 4) was mainly due to exceptional donations made by the "Water for the Sahel" association (€20,785), which managed separately until closing in November 2007, in agreement with officials in the organisation.

As in previous years, **member contributions** were the principle source of income (82%), and at €135,367.12, were marginally higher compared with 2006 revenues. Awareness raising campaigns and initiatives for both old and new Association members held over the past few years across all European Institutions, were intensified in 2007, and should continue to bear fruit in future (see Chapter 4 below).

The number of **donations** in 2007 (€25,212.05) was particularly high, because it included not only the usual donations (€4,427.05), but also an additional €20,785 transferred from the "Water for the Sahel" association, funds of which the management had been entrusted to ETW.

Bank interest (€2,978.76) also increased as a result of prudent fund management through ING and TRIODOS accounts. Since 1998, part of the Association's funds have been held within a savings account with the ethical bank TRIODOS, which has realised a higher interest. TRIODOS finance projects and enterprises that meet at least three basic criteria that align with ETW objectives: Sustainable development, human dignity and quality of life.

1.3 Expenditure

Broadly speaking, total expenditure in 2007 was close to the income level for the same period. This means that the Association – in accordance with its mission - invested an equal amount

of money in projects as it received in contributions from members and other sources.

The **total amount invested in projects** in 2007 (€158,006) was greater than in 2006 and exceeded the average over the last five years (for details, see Tables 2 and 4). There was no expenditure on emergency operations or rehabilitation projects in 2007.

Breakdown of expenditure by project (Table 2) highlights the dominance of projects in Africa, compared with projects in North America and Asia. This is also the case for new funding decisions (see Chapter 2). All new commitments for 2007, with the exception of three projects, were accounted for in the 2007 reporting year. At the close of the year, a balance of €19,300 (12% of the total) remained which is to be invested in 2008 (Table 7).

Excluding the costs supporting the General Assembly, **management fees and miscellaneous expenditure** accounted for 2.3% of actual expenditure in 2007. This was slightly higher than in previous years as a result of various awareness-raising and communication activities carried out for the first time this year (see Section 4). This was only 0.96% of total 2007 expenditure, thanks to the generous hospitality of Community Institutions, particularly the Council and Commission.

2. Funding decisions

In 2007, the Association agreed to financially support **24 new projects**. **Total contributions amounted to €153,806** (Table 3). Annex 1 contains a brief description of each project and the respective contribution made by ETW in 2007.

In 2007, there were no emergency-aid or post-disaster rehabilitation projects. One project in Nepal (No. 07/60) was funded to the sum of €8,000, using monies entrusted to ETW by the Association "Water for the Sahel" when it ceased operations at the start of 2007.

The 24 projects supported in 2007 exceeded the average number of projects funded over the previous five years (20.4) by 15%. Total financial commitments (€153,806) were significantly greater than the average (€122,286) per year for projects in the previous five years. The average single commitment in 2007 was €6,408, compared with €5,994 for the previous 5 years.

The geographical distribution of the 24 new projects in 2007 was as follows:

- Africa: 17 projects in 9 countries; contribution: €103,252 (67% of the total);
- Asia: 5 projects in 5 countries; contribution: €37,054 (24% of the total);
- America: 2 projects in 2 countries; contribution: €13,500 (9% of the total).

Although it is not an intentional ETW policy, as in previous years, Africa was the dominant benefactor in 2007.

2007 projects can be categorised into the following economic themes:

- Agriculture and livestock: 9 projects;
- Small Industry (soap, oil extraction, waste recycling): 5 projects;
- Provision of drinking water: 3 projects;
- Microcredit, creation of mini-enterprises, small businesses :3 projects;

- Vocational training: 2 projects;
- Use of solar energy: 2 projects.

Of these, five projects were specifically designed to benefit youth and three projects to benefit women.

It is worth highlighting the role that ETWs support has played in generating project **co-financing**. ETWs direct financial contribution of more than €153,000 has, in effect, enabled projects totalling some €660,000 to be delivered by stimulating co-financing to the tune of some €500,000.

3. Monitoring and evaluation of the use of aid

As has been common practice, the weekly Brussels Project Group meetings received several visits of project leaders (8 visits in 2007), either to give an account of the implementation of a project supported by ETW, or to present a new request. The countries involved were Benin, Bolivia, Cambodia, the Democratic Republic of Congo and Madagascar.

Conversely, **two members of the Committee visited Africa**, one to Burkina Faso and a second to Madagascar. The first met with a women's association who had benefited twice from ETW aid to support "street food" projects. The second visited ETW funded projects, investigating and reviewing the records kept on site, enabling the evaluation of six wholly or partially completed projects, as well as viewing a seventh, unfinished project.

Over the year, **25 project files were subject to an internal evaluation** by a member of the Project Group, who prepared a "monitoring report" before **closing the file**. In 2007, the number of cases closed was almost equal to cases opened, which indicates that (unlike some periods in the past) there has been no delay to the completion of project evaluations.

The 25 closed files all concerned mini-development projects. Although the degree of success differed between projects and the impact of some needed to be measured over the medium and long term, 20 of the project evaluations had positive conclusions.

The remaining 5 were not considered complete failures, but were disappointing for various reasons, such as incomplete project implementation or the early termination of activities. Analysis indicated that this was mainly a result of inadequate project preparation, inadequate supervision, premature departure of the original proponent or a change to the implementation team.

4. Awareness and communication

Created in 2006, the "Awareness Group" designed and launched a large number of initiatives to publicise the Association as widely as possible, especially amongst EU institution staff. This has included:

- From 2007, a **website** (www.europethirdworld.eu) on the Association, detailing all the areas of work.

- Also in 2007, a new 15 page **pamphlet** was published in English and French, summarising the Association's objectives, organisation, actions and resources and with a preface by President Barroso. It followed similar brochures published in 1978, 1983, 1988, 1993 and 2000 - but graphic presentation and circulation (45,000 copies printed and distributed to all EU Institution staff surpassed that of its predecessors.
- A third advertising tool has been under preparation since 2007: A "**trptyque**", (three-panel leaflet) which can be widely used at events such as conferences, exhibitions, bazaars, etc.

In 2007, efforts were made to write to all **newcomers** to the Commission (officials and other agents) about ETW.

A number of **publications** read by EU Institution staff (such as "Commission en Direct", "Vox" and "L'Ecrin"), were used to communicate information about the existence and activities of the Association, through the placement of relevant articles and photos.

The publication "**ETW Letter**" experienced some delays during the first half of 2007; a new letter was released towards the end of the year. There are plans to reactivate the use of this extremely valuable communication tool.

The necessary task of "awareness" cannot be confined simply to "advertising" actions. Although it is vital to increase membership, "awareness" has a much greater purpose. It is important to raise awareness amongst EU institution staff of the difficulties experienced by men and women in poor countries, and provide information on the major issues posed by current political developments. **Conferences** are the preferred events to deliver these objectives, and two were organised in 2007:

- The first was held on 26 February where Professor Marcel Mazoyer (Paris) and the Director General of DG Trade, Karl-Friedrich Falkenberg spoke about *Agricultural free-trade and the fight against dependence and poverty in the Third World*
- The second was held on 19 June on *The effects of international tourism for developing countries*, presented by Marie-Paule Eskénasi from the NGO "Tourisme Autrement" and Bernard Duterme from Centre Tricontinental, who had recently published a book entitled "Expansion du Tourisme: Gagnant et perdants" ("Expansion of Tourism: Winners and losers").

Finally, the Group started to draw up plans during 2007 to mark the celebration of the **40th anniversary** of ETW in 2008.

5. Miscellaneous

5.1. List of NGO partners

For several years, a member of the Committee and Project Group has maintained a list of NGOs with whom ETW has collaborated. This list has proved very useful as an information source.

5.2 File members

The complex task of updating and maintaining the membership roster has continued. A fairly reliable figure of members who make regular donations was estimated to be 560 in 2007, including both active and retired personnel of European Institutions and other supporters.

Over the past year, members who paid only modest amounts or who did not pay at all were invited to remedy this situation. The initiative had some encouraging results.

Thanks to the various initiatives of the Awareness Group, the number of new members more than doubled in 2007 (29) compared to 2006 (12). Enrolments in previous years numbered 26 in 2005, 29 in 2004 and 23 in 2003. However, some of these members need to be reminded to pay their contribution regularly.

5.3. Approval of the Ministry of Finance

On 3 April 2007, the Belgian Minister of Finance finally approved ETW's application to extend the Associations accreditation as an institution empowered to issue receipts ["in terms of donations that are deductible from the net taxable income of donors"], in accordance with Article 104 of the Code of Taxes on Income, 1992. Approval is valid for five years, from 2007 to 2012, and must be renewed during the final year of validity before expiry.

In 2007, ETW was therefore able to continue to issue receipts (in the form of tax certificates) to the dozen or so donors who requested them, and whose contributions exceeded €30 per calendar year.

5.4. Staff

In accordance with the decision by the General Assembly last year, the Committee welcomed two new members: Karine THERER and Marianne WACK. A complete list of Committee members can be found in Annex B.

Jacques COLLART continued to lend his support to the Treasurer, providing valuable and reliable skills in accountancy.

Throughout the year, the Association also benefited from the hard and effective work and dedication of Claudine TONDREAU and Edith BONNET in providing the Secretariat.

The Association would like to show their appreciation on behalf of all those who have benefited from their enthusiasm and skills.

As a reminder, the Secretariat's address is:

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http://intracomm.cec.eu-admin.net/home/life/europe_thirdworld/index_fr.html (if you work in Parliament or the Council)

Annexes: (available in French only, for which we apologize)

Table 1 - Financial Report 2007

Table 2 - Expenditure by project 2007

Table 3 - Financing decisions taken by the Committee

Table 4 - Evolution of revenue and expenses 2001 - 2007

Table 5 - Commitments and payments from 2003 to 2007

Table 6 - Accounts certified 31/12/2007

Table 7 - Outstanding commitments at 31 December 2007